

### **REMARKS**

Claims 8-27 remain in the application. Claims 1-7 and 28 have been cancelled. Claims 8, 13, and 18 have been amended.

### **Interview**

Applicant wishes to thank Examiner Duran for attending an interview for this case on January 17, 2006. This interview was attended by the Applicant, the undersigned attorney, and Mr. Paul Richter of Kenyon & Kenyon. This interview was in furtherance of discussions between the Applicant, the undersigned, and Examiner Duran on June 30, 2005, where claim 8 (and to a lesser extent, claim 3) was discussed with respect to the Horstmann, Gerace and Blaser references. No agreement was reached, but Examiner Duran made suggestions as to additional limitations to these claims. Those suggestions were memorialized in Applicant's Amendment of August 4, 2005. At the January 17<sup>th</sup> interview, claim 8, as amended, was discussed again with reference to the McElfresh, Gerace, Blaser, Horstmann, and Zustak references. Though no agreement was reached, Examiner Duran made suggestions as to additional limitations to claim 8, which are memorialized in the amendments above.

### **Claim Rejections under 35 U.S.C. § 103(a)**

Claims 3-28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,285,985 to Horstmann ("Horstmann") in view of U.S. Patent No. 5,848,396 to Gerace ("Gerace") in view of U.S. Patent Application Publication No. 2003/0149937 to McElfresh et al. ("McElfresh") and in view of U.S. Patent Application Publication No. 2002/0087402 to Zustak ("Zustak").

The remaining independent claims, claims 8, 13, and 18 have been amended to bring out features of embodiments of the present invention. Claim 8, for example, recites a method where a buyer and a seller agree to a sale price that covers a predetermined number of impressions of an advertising message on a website and potential, to be earned bonus impressions of the advertising message. The method further describes automatically recording one or more actions entered at one or more viewer computers, determining a number of earned bonus impressions based on the one or more actions and providing the earned bonus impressions without charging beyond the sale price.

In the prior art, there are two standard practices for the selling and buying of advertising space. In “cost per thousand” (CPM) sales, a publisher sells advertisers a number of impressions on the publisher’s web-site at a stated cost. In “cost per action” (CPA), advertisers pay publishers only when a defined action occurs in response to their advertising message (e.g., “clicking” on the advertisement). The cited prior art discusses and uses both of these standard practices. Gerace describes both practices at ¶ 51. McElfresh describes both practices at ¶¶ 7 and 8. Horstmann describes both at Col. 4, lines 6-9 and 24-26. Blaser describes CPM at Col. 3, lines 19-21. Zustak does not mention either standard practice, but describes at ¶ 66, the relative pricing of traditional 30 second ads, banner ads, and watermark ads.

The cited prior art references fail to teach or suggest a buyer/seller coming to an agreement on a sale price on a predetermined number of impressions and automatically providing earned bonus impressions (over and above the predetermined number of impressions) without charging beyond the sale price as recited in each of the pending claims.

Gerace refers to a method and apparatus for determining a behavioral profile of a computer user. An advertisement module 75 is provided that customizes the display of

advertisements to a user based on the user's psychographic profile. Thus, features of advertisements, such as color, motion, and orientation can be matched to users who respond to such features (see Col. 5, lines 15-25). Col. 12, lines 6-21 (¶ 51), refers to pricing of advertising according to the standard CPM and CPA practices (e.g., "The pricing may be dependent on the number of times the ad is viewed by the users ...." is a CPM ad campaign). In Gerace, a buyer may purchase 100,000 hits (using the standard CPM practice). After providing 10,000 of these hits for an advertisement, the method and apparatus of Gerace runs a regression analysis to see who the advertisement appeals to the most. Then Gerace will show another 10,000 of the total number of purchase hits to what is hopefully a better, more-targeted audience. This will be repeated up to the total number of paid for hits (i.e., 100,000). Nowhere in Gerace is it suggested that the buyer of advertisement exposure will earn bonus exposure (e.g., more hits) based on user actions taken in response to the advertisement.

McElfresh refers to the relative placement of advertisements on a web-page (see the spaces 44, 46, 48, and 50 of Fig. 2). ¶ 37 refers to the standard CPM and CPA pricing strategy for ad campaigns. ¶ 43 refers to how the "information would also serve to demonstrate the success rate, and thereafter aid in setting the pricing structure of ads, in order for the network provider to further increase revenues." This paragraph refers to how once an ad campaign is completed, the success/failure of that campaign may be used for pricing of a future campaign. For example, if a 100,000 CPM ad campaign was sold for a sale price of \$10,000 and was very successful for the buyer, then the seller may consider raising the price for a new 100,000 CPM ad campaign. Nowhere in McElfresh is it suggested that earned bonus impressions, over the paid-for 100,000, would be automatically provided without charging beyond the \$10,000 as presented in the pending independent claims.

Zustak refers to user selective advertising. As shown in Fig. 6, the user is presented with a menu of advertisements, and the system merges those advertisements with entertainment content. The advertisements can be provided in a number of ways, such as a 30 second conventional ad found on network television shows, banner ads or watermark ads. ¶ 66 contemplates that “with experience and testing, it can be determined how the effectiveness of various types of advertisements compare so that fee structures and times for the various advertisements can be factored into the business model. Though the standard CPM and CPA pricing strategies are not discussed in Zustak, it is believed that the pricing for advertisements would be based on a set cost for each showing of the advertisement. In no event, does Zustak teach or suggest that the buyer of advertisement exposure will earn bonus exposure (e.g., more displays of his/her advertisement) based on user actions taken in response to the advertisement.

As stated in the previous Amendment Horstmann refers to a system for providing advertisements to a user of a software program (e.g., to pay for use of the program). As the user interacts with the program (e.g., a financial software program), advertisements are displayed to the user in series. Blaser is similar to Hortsman in that it refers to the display of advertisements to a user in order to defray the cost of accessing the Internet. Neither of these references refers to earning bonus impressions of an advertisement based on user actions taken with respect to the advertisements in a manner called for in the pending claims.

Since features of each of the pending claims are neither shown nor suggested by the Horstmann, Gerace, Blaser, McElfresh, and Zustak references, reconsideration and withdrawal of the rejection of claims 8-27 under 35 U.S.C. § 103(a) is respectfully requested.

**CONCLUSION**

For all the above reasons, the Applicant respectfully submits that this application is in condition for allowance. A Notice of Allowance is earnestly solicited.

The Examiner is invited to contact the undersigned at (202) 220-4255 to discuss any matter concerning this application. The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. § 1.16 or § 1.17 to Deposit Account No. 11-0600.

Respectfully submitted,  
KENYON & KENYON

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